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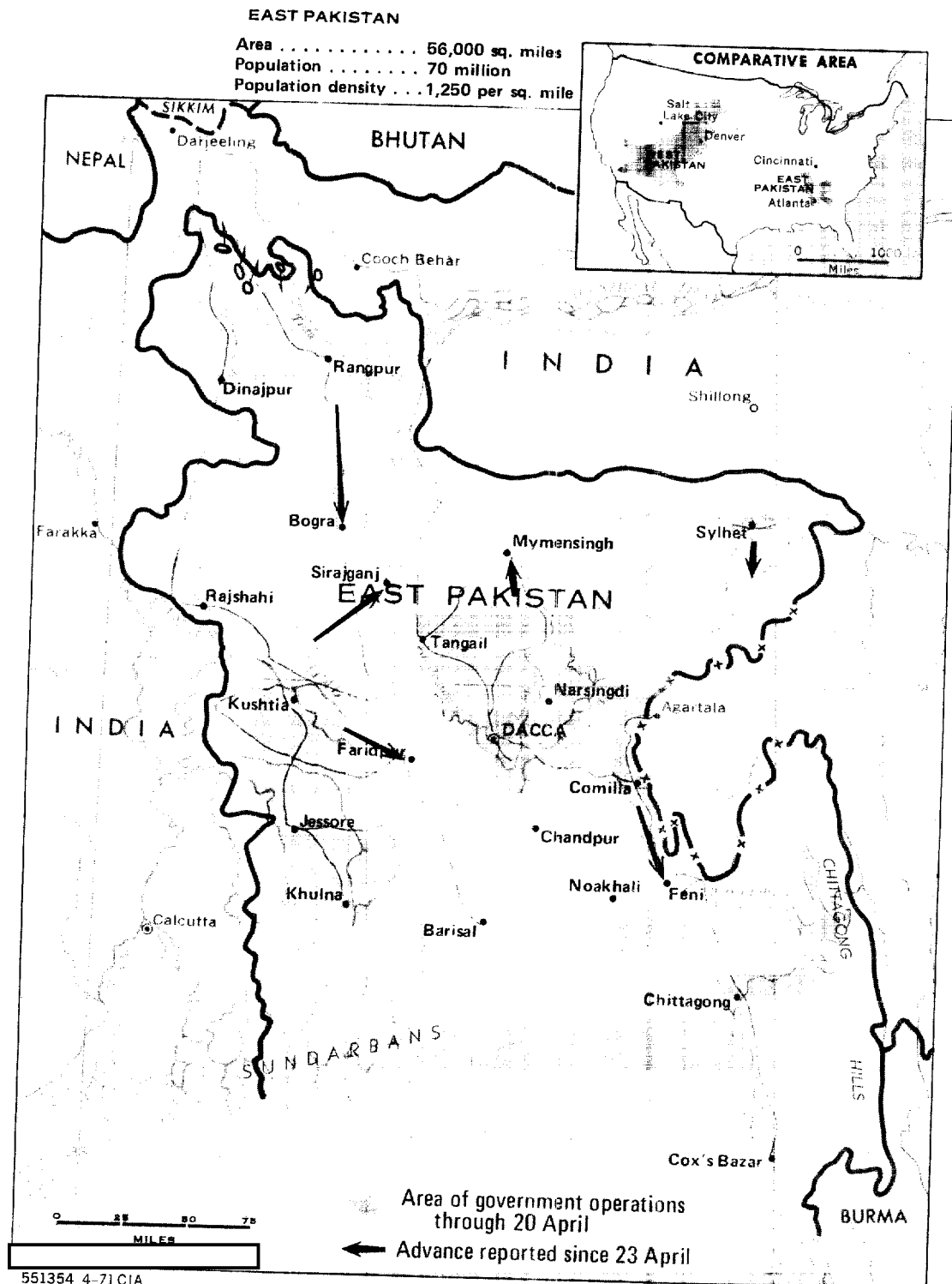
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PAKISTAN-INDIA: Both countries have officially closed their respective Deputy High Commission offices in Dacca and Calcutta. Islamabad's announcement that safe conduct for the Indians would be provided "on the principle of reciprocity" presumably means that the Indian diplomats in Dacca will be held hostage. The Pakistanis have asked that their installation in Calcutta be turned over to officials from Islamabad and that the East Pakistani diplomats who seized it in the name of Bangla Desh be repatriated.

The Indians in Dacca have been confined to their homes, and Deputy High Commissioner Sen Gupta has been told he is "more or less" interned. New Delhi has retaliated by banning the departure of any Pakistani diplomats from India without Indian Government permission.

Border incidents could add to the tension. India has charged several border violations and Pakistan continues to allege that Indian infiltrators are active in East Pakistan. According to an Indian reporter for Reuters, Pakistani troops on at least one occasion fired into India at fleeing Bengalis. A US newsman claims an "absolutely reliable" source told him that Indian advisers accompanied Bengalis on a raid into East Pakistan.

In the meantime, West Pakistani troops continue to advance into areas previously held by East Pakistanis. Government forces apparently spent most of last week consolidating their hold on towns they had already occupied, but reports since Friday--although contradictory in details--indicate that the army has moved into places well outside the area in which it had been operating.

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UN: The USSR and Communist China appear to prefer different candidates to serve the next term as UN secretary general.

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Yugoslavs in Peking recently were told by a senior Chinese Communist official that his government favored Finnish UN delegate Max Jakobson among all possible candidates for the next term. The elated Finnish UN mission believes the Yugoslavs will circulate this information widely and that it will carry great weight with many Afro-Asian governments.

Last week a Soviet official told the US that he thought Thant would serve another term. Queried about Jakobson, the official replied with a broad smile, "I can tell you quite positively that he will not be the next secretary general." The Arabs are believed to oppose Jakobson because of his Jewish ancestry, and the Soviets have taken this point into consideration.

Thant has been urged by several governments to reconsider his January statement that he had no intention of serving beyond his present term, which expires on 31 December. Although this position was reiterated by Thant's press spokesman last week, many observers believe Thant could be persuaded to stay on for at least a few years. He is in good health and has no apparent plans for activity after leaving office. The Soviets regard Thant as an acceptable known quantity, and he has significant support within the African regional group.

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USSR: Industrial production continued to grow at a healthy pace during the first quarter of 1971, according to official Soviet statistics.

Moscow announced that industrial production rose by 8.6 percent and labor productivity by seven percent over the same period last year. This compares with 8.9 percent and 7.9 percent, respectively, achieved during the first quarter of 1970. These official measures, however, usually overstate growth by at least two percentage points.

The statistical report emphasized that the industrial performance was in accord with the goals of the five-year plan directives recently approved by the 24th party congress. Machinery and chemicals--branches which the directives noted "would ensure technical progress for the entire national economy"--grew at a faster rate than industry as a whole.

The consumer goods industries, given priority attention at the party congress, were said to be "maintaining high rates," while industry was doing its share for the agricultural sector.

The rhetoric surrounding the publication of the five-year plan directives can be expected to accompany the presentation of the plan results for some time to come. The release of more data, however, is necessary to determine how successfully the directives are being implemented.

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JAPAN-US: Press reports of a secret nuclear agreement between Japan and the US are likely to create a major political stir.

The Japanese opposition parties and press will certainly move quickly to exploit a New York Times report that Tokyo for years has permitted the US to keep nuclear weapons in Japan temporarily. A top official in the Sato government issued a flat denial of the reports, stating that such an agreement would be a "traitorous act." He claimed that if an agreement existed without the knowledge of the Sato government it would leave "deep scars" in the US-Japan relationship.

Despite the government's strongly worded denial, the opposition and the media are convinced that US nuclear-powered submarines and aircraft carriers that visit Japan carry nuclear weapons, and they will probe vigorously for proof of their charges. Popular concern over the nuclear weapons issue has been heightened by the imminent reversion of Okinawa, where many Japanese assume the US has stored nuclear weapons. Despite government assurances that there will be no such arms on Okinawa when it becomes part of Japan, many Japanese remain skeptical. Although Japan's "nuclear allergy" has moderated a little recently, the weapons issue will remain sensitive, and the current uproar will clearly require adroit handling by the Sato government.

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ARGENTINA: President Lanusse is trying to attract Peronist political support by raising hopes of Juan Peron's return from exile.

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[REDACTED] the President is trying to convey to the public the impression that the still-popular former dictator can return if and when he desires. He has not, however, dropped the legal charges against Peron and apparently will not unless and until he receives Peronist cooperation in electing a new government acceptable to the military.

Lanusse apparently believes that his political tactics will not only eliminate Peron as the dominant Argentine political personality but also attract the former dictator's followers into an electoral coalition that will back a candidate acceptable to the military. The President hopes that he could then call elections in less than the three years that he has publicly allowed for the return to civilian rule.

Lanusse's objective is to establish an elected government that has Peronist support and bypasses the discredited politicians that surfaced after the overthrow of Peron, but there is growing opposition in the military to his tactics.

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MOROCCO: King Hassan late last week dismissed four ministers as part of his campaign to clean up flagrant corruption within the government.

The opposition press has long been harshly critical of governmental corruption. Although the King has also publicly criticized the prevalence of corruption, until early this month when four subcabinet level officials were dismissed, he had done relatively little to curtail it. These dismissals followed a police investigation into the financial activities of a businessman arrested in February for trying to shake down international investors in a proposed new hotel.

Petty graft has traditionally been an accepted means for lesser officials to supplement meager salaries, and higher ranking officials have come to view government service as a means of enriching themselves.



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IVORY COAST: President Houphouet-Boigny is pushing more forcefully for a dialogue with southern Africa despite his inability so far to attract a significant following.

In a major policy statement to be delivered on Wednesday, Houphouet-Boigny will renew his plea of last November that black African states engage in discussions with white-ruled southern Africa. The Ivorian Government has expended considerable money and effort preparing for worldwide news coverage of the speech, amid indications the President considers it a highlight of his career.

A staunch anti-Communist, Houphouet-Boigny believes that those African leaders who advocate unbending hostility toward southern African regimes and who promote guerrilla wars against them are aiding Communist attempts to infiltrate and eventually dominate black Africa. Although some African leaders share his strong fears of communism, his new pitch is not likely to result, at least over the short run, in many new additions to the small group of states supporting dialogue. Militant African leaders, such as Tanzania's Nyerere and Guinea's Toure, and even a number of moderates can be expected to remain uncompromising in their opposition.

For its part, the South African Government will welcome Houphouet-Boigny's move as another step, however small, toward international respectability. Pretoria also may hope that contacts with black Africa will help counter what it believes to be increasing Communist influence on the continent. Prime Minister Vorster has indicated that he is prepared to furnish economic assistance to friendly black states and has asserted that black leaders interested in a dialogue will be invited to visit South Africa.

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TURKEY: Martial law was declared as of midnight last night in 11 of Turkey's 67 provinces including Ankara, Istanbul, and Izmir.

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The move also probably reflects growing concern in official circles over the safety of foreign dignitaries, including Secretary of State Rogers, who will be in Ankara later this week to attend the two-day meeting of the CENTO ministerial council. A continuing nighttime curfew is expected to be declared, at least in Ankara, and probably will be accompanied by a large-scale roundup of suspected troublemakers.

[REDACTED]

[REDACTED]

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CEYLON: The government is taking island-wide precautions to meet an expected major attack by insurgents against Colombo and other locations tonight. Wide public knowledge of the rumored big push could cause the rebels to postpone or even abandon the effort. Meanwhile, both the Soviet and the US embassies have received written threats from the insurgents.

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ECUADOR: Some military officers are seeking a new defense minister as a first step in replacing President Velasco. These men believe that Velasco will be forced to resign as a result of fallout from the military revolt last month. They hope that Fausto Cordovez, a highly regarded civilian who served as minister of defense in 1967, can be appointed to that post now, and then take over from Velasco. Cordovez may have made a deal with some elements in the military by which he would call for new elections immediately after becoming president. In this way the military believes that a confrontation between the people and the armed forces could be avoided.

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TRINIDAD AND TOBAGO: The People's National Movement (PNM) of Prime Minister Williams appears likely to win the general elections on 24 May. The date of the elections was announced late last week, and the short campaign period should hinder the opposition, which is still preparing its slate of candidates. Although 14 years in office have dimmed the PNM's luster, it remains the best organized party in Trinidad and Tobago, and Williams is unquestionably superior to other political leaders.

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